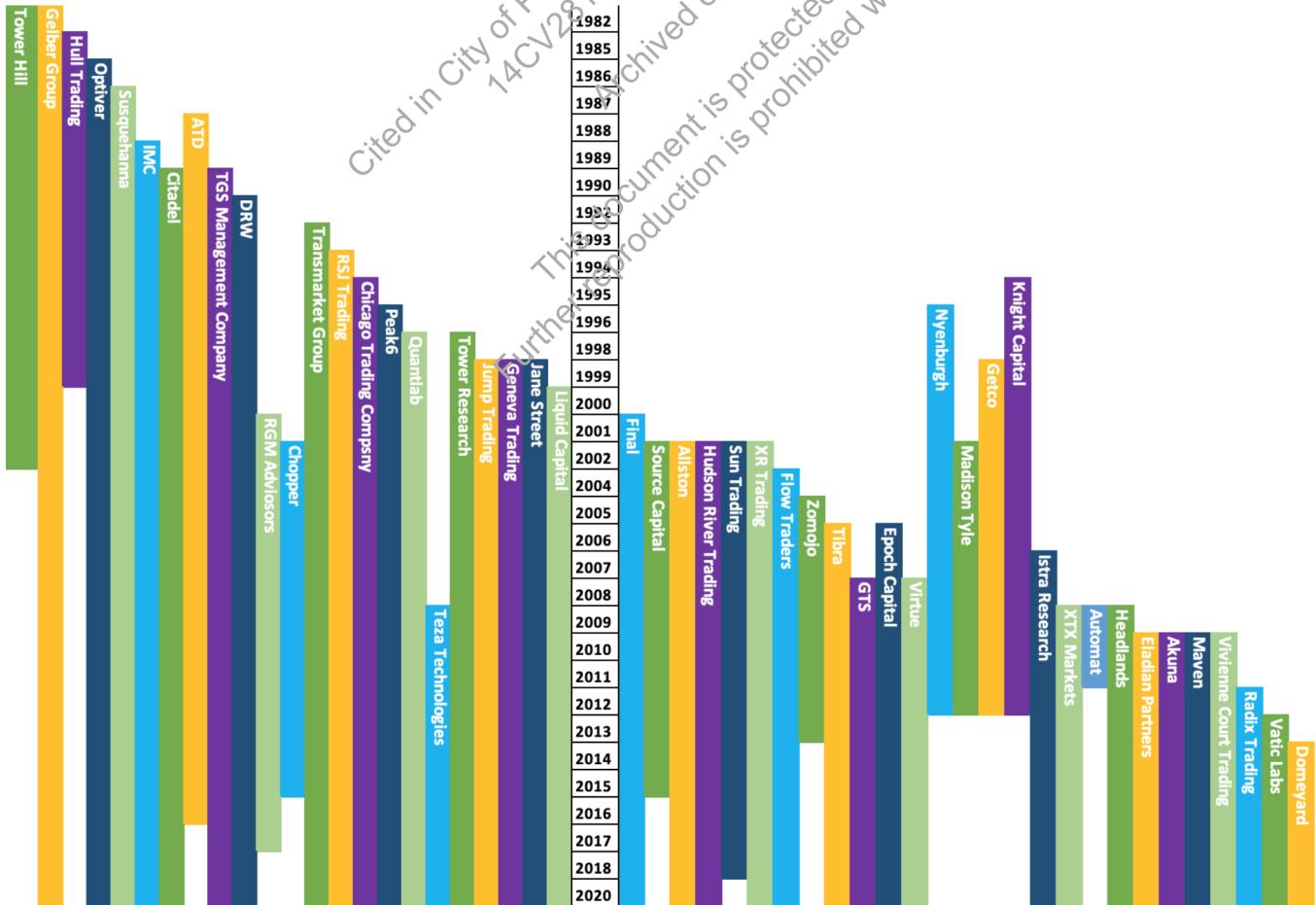




# Top 50 HFT firms and their history



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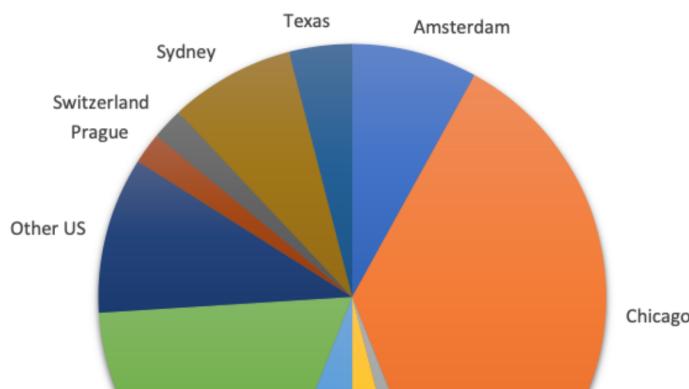
*Note: The focus of this article is on proprietary trading firms in HFT rather than hedge funds. We did not include the HFT operations of hedge funds for the sake of brevity although we did make a couple of exceptions. We are including Citadel because we couldn't write a HFT article without them. We also included TGS Management because they are a bit of an enigma and based on trading volumes needed to be included.*

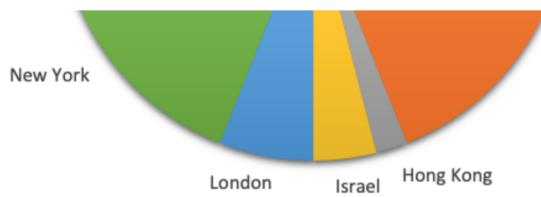
*The other noticeable exceptions are the proprietary trading desks within banks who up until Volker were also major HFT players. This included BNP Paribas, Credit Suisse, Deutsche, Goldman Sachs, Lehman Brothers, Merrill Lynch, Morgan Stanley, Societe Generale and UBS to name a few.*

High-Frequency trading has been around since people started speculating. In essence, the goal of a trader is to be an informed investor. That means having all the information required at the right time to make an informed decision about whether to trade or not. Technology has simply enabled traders to process, consume and respond to market information at ever-increasing speeds.

The pioneers of applying technology and more quantitative approaches to trading lie in the trading pits of Chicago and Amsterdam. Firms like Getco, Hull, Citadel, Jump Trading and IMC began a revolution in trading that has significantly reduced trading spreads but also generated an equal amount of controversy. More akin to technology firms these HFT firms did need to be based in the banking hubs.

**Trading firms location**





## The pioneers of HFT

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Year Founded	Firm	Notes
1982	Timber Hill	Acquired by Two Sigma in 2017
1982	Gelber Group	
1985	Hull Trading	Acquired by Goldman Sachs in 1999
1986	Optiver	
1987	Susquehanna	
1988	Automated Trading Desk (ATD)	Acquired by Citi in 2007 and subsequently Citadel in 2016
1989	IMC	
1990	Citadel	
1990	TGS Management Company	
1992	DRW	
1993	Transmarket Group	
1994	RSJ Trading	
1995	Knight Capital Group	Acquired by Getco in 2012 after the "algo glitch"
1995	Chicago Trading Company	
1996	Peak6	
1996	Nyenburgh	ETF operations acquired by Virtu in 2012
1998	QuantLab	
1998	Tower Research	
1999	Getco	Acquired by Virtu in 2017
1999	Geneva Trading	
1999	Jane Street	

1999	Liquid Capital
1999	Jump Trading

Out of the 22 HFT firms that started pre-2000, 16 are still going strong. Other than Knight Capital who famously lost \$460ml due to a rogue trading algorithm, acquisitions from this group have been strategic and premiums have been paid by the acquirer.

### The new wave

The next decade of HFT start-ups had a tougher time. Only 13 remains of the 21 firms that started between 2000 and 2010. Firms like Eladian Partners and Automat burst onto the scene towards the end of the decade however spiralling costs associated with HFT and increased competition meant a quick demise. This trend continued and was exasperated by the low vol and trading volumes from 2016 onwards and led to significant consolidation with Virtu, DRW, HRT and Quantlab swooping on struggling targets.

Year Founded	Firm	Notes
2000	Liquid Capital	
2001	RGM Advisors	Acquired by DRW in 2017
2001	Final	
2002	Sun Trading	Acquired by HRT in 2018
2002	Chopper Trading	Acquired by DRW in 2015
2002	Source Capital	Ceased trading in 2015
2002	Allston	
2002	Hudson River Trading (HRT)	
2002	XR Trading	
2004	Flow Traders	
2006	GTS	
2006	Tibra	
2007	Epoch Capital	
2007	Zomojo	Ceased trading in 2013
2008	Madison Tyler / EWT	Acquired by Virtu in 2011
2008	Virtu	
2008	Istra Research	
2009	XTX Markets (previously part of GSA Capital)	
2009	Automat	Acquired by Getco in 2011
2009	Headlands	
2009	Teza Technologies	HFT operations acquired by Quantlab in 2017
2010	Eladian Partners	

## The next generation

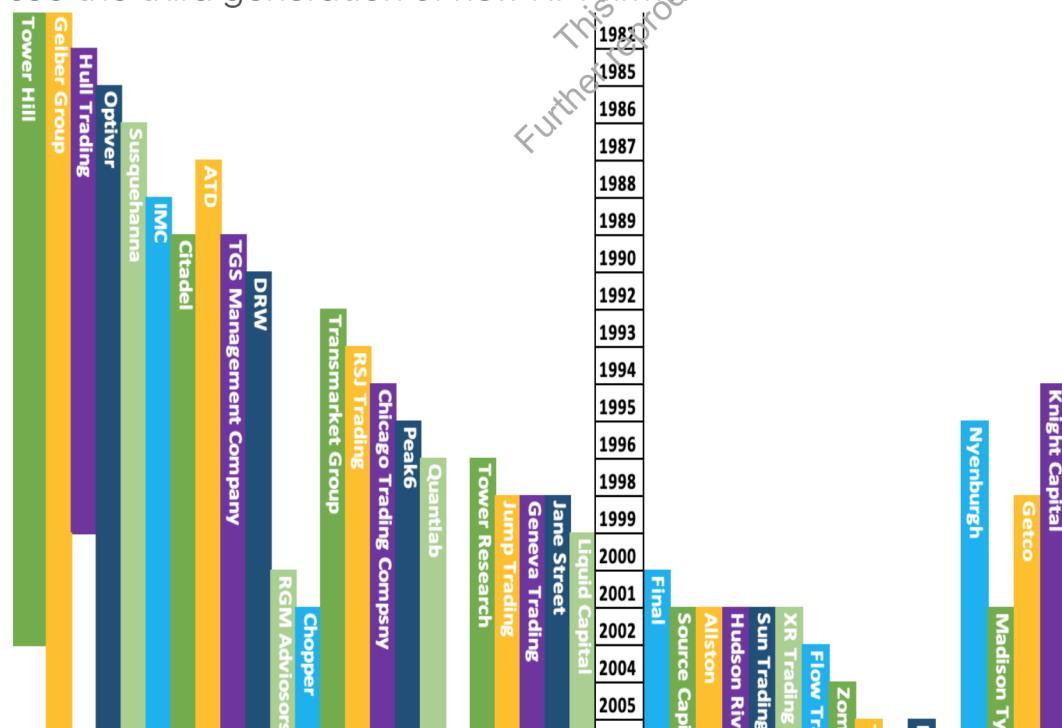
With the exception of Domeyard, the firms that followed post-2010 have all been established by veterans of HFT. The experiences they picked up during the growth and lean years from their previous employers have served them well as they are all still here. The lack of new entrants (other than SandiaPoint and a few others) has been a reflection of the high technology start-up costs as well as the market environment.

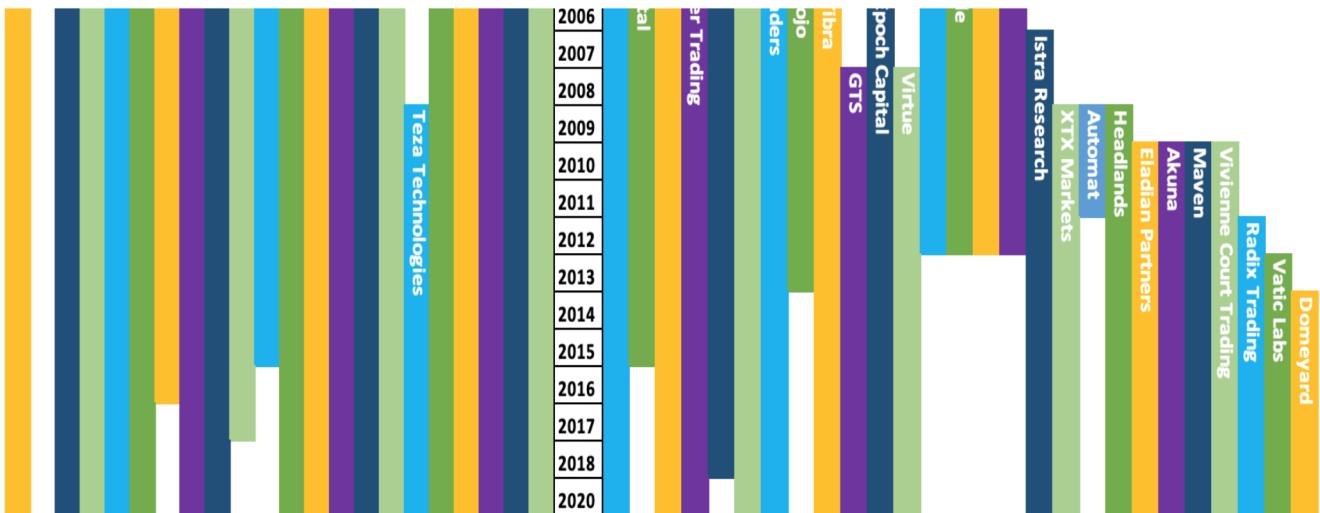
Year Founded	Firm
2011	Akuna
2011	Maven
2011	Vivienne Court Trading
2012	Radix Trading
2013	Vatic Labs
2014	Domeyard

## The outlook

The spike in volatility and volumes in 2020 has given a significant boost to the HFT industry. Across the board, firms are recording record quarters and in general, the industry has avoided any major blows up for public scrutiny. As the HFT industry

continues to gobble up trading revenues from banks across more asset classes, will we see the third generation of new HFT firms?





### Listed companies:

1.Timber Hill, 2. Gelber Group, 3. Hull Trading, 4. Optiver, 5. Susquehanna, 6. IMC, 7. Citadel, 8. Automated Trading Desk, 9. TGS Management Company, 10. DRW, 11. RGM Advisors, 12. Chopper, 13. Transmarket Group, 14. RSJ Trading, 15. Chicago Trading Company, 16. Peak6, 17. Quantlab, 18. Teza Technologies, 19. Tower Research, 20. Jump Trading, 21. Geneva Trading, 22. Jane Street, 23. Liquid Capital, 24. Final, 25. Source Capital, 26. Allston, 27. Hudson River Trading, 28. Sun Trading, 29. XR Trading, 30. Flow Traders, 31. Zomojo, 32. Tibra, 33. GRT, 34. Epoch Capital, 35. Virtue, 36. Nyenburgh, 37. Madison Tyle, 38. Getco, 39. Knight Capital, 40. Istra Research, 41. XTX Markets, 42. Automat, 43. Headlands, 44. Eladian Partners, 45. Akuna, 46. Maven, 47. Vivienne Court Trading, 48. Radix Trading, 49. Vatic Labs, 50. Domeyard.

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